



The Ten Essential Tips Every Telemarketer Should Know.

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Here are the top ten Do's and Don'ts you need to know...

1. DO comply with state Telemarketing Acts, including licensing requirements.

Most states now require telemarketers to have a license to operate – whether sales are made FROM or TO that state. The penalties for non-compliance vary from civil fines to criminal charges – and principals or management can be personally responsible.

2. DO comply with the TCPA, TSR and other regulations.

Current laws and regulations create a minefield of requirements for modern-day marketers. The use of dialers, calling times, voice-broadcast recordings and the Do-Not-Call registries are all areas in which marketers must adhere to important legal restrictions. Again, in many instances, personal liability may apply to violators.

3. DON'T misclassify employees as independent contractors.

Historically, telemarketing sales representatives have often been misclassified as “independent contractors”. This can have serious consequences. State and federal regulators (including the IRS) are taking an increasingly hard line against those who fail to follow their rules. Violations can result in very significant fines to employers.

4. DO put all your agreements in writing.

Modern business necessarily involves agreements – with customers, vendors, management and employees. Putting these in writing prevents misunderstandings, lost productivity, and unnecessary litigation and the significant fees that go with it.

5. DON'T put your personal assets at risk.

Businesses should be operated through a business entity. Personal assets should not be commingled with business assets. By keeping business affairs separate one can avoid unnecessarily exposing personal assets to many (but not all) claims from business creditors or customers.

6. DON'T tolerate deceptive sales practices in your business.

An important exception to the protection offered by business entities is that deceptive or unfair trade practices – or outright fraud claims – will not be limited by the protection normally offered by entities. These types of wrongdoing – even if done without the owner’s full knowledge, can subject the owner (and managers) to personal liability, sometimes including serious criminal charges as well.

7. DO make sure to safeguard confidential information.

Telemarketers often handle sensitive personal and financial information provided by customers. State and federal laws require that such information be protected, and in some instances, destroyed, after they are used as intended. Know the rules.

8. DON'T ignore consumer complaints.

Consumer lawsuits don't typically occur without warning. Treat your customers well from the outset – and if consumer complaints are made, have an efficient and responsive protocol to resolve them promptly and fully whenever possible. Don't allow a small problem to turn into a large one.

9. DON'T ignore regulatory inquiries.

State and federal agencies operate in a “target-rich” environment. Companies that respond promptly to inquiries can often resolve matters quickly. Never ignore demand letters, requests for information or more formal actions. A failure to address such inquiries will almost always result in far more serious consequences down the road.

10. DO have a telemarketing lawyer (and DO take his/her advice!)

Telemarketing compliance requires staying current with multiple state and federal laws and regulations and interacting with dozens of state and federal agencies. Civil actions can be filed by state Attorney Generals, the Federal Trade Commission, the Consumer Finance Protection Board and others. Telemarketing-related criminal charges can originate at the state or local level, or by the Department of Justice on the federal level. Competent and experienced legal counsel is essential to dealing with these challenges as effectively as possible.